

Chapter Three (Revised)

PAYMENT AND DISBURSEMENT

PUBLIC INSTITUTION

Payment Methods

To receive Educational Opportunity Grant (EOG) funds, public institutions must choose one of the following payment methods:

- **Advance Payments:** Prior to the start of a term, institutions request and receive student payments (see below, pages 1-3); **or**
- **Reimbursement Payments:** After paying eligible students with institutional funds, institutions request and receive reimbursement payments (see pages 3-4).

Prior to fall term, public institutions must notify the EOG Program Coordinator which payment method the institution will use. The payment method will remain in effect until a notice of change is received by the EOG Program Coordinator.

ADVANCE PAYMENT METHOD

Payment Request

Two weeks prior to the start of a term, the Higher Education Coordinating Board (HECB) will post a list of students with active EOG awards to its secure Web site. Institutions must review the list and verify student eligibility prior to requesting payment.

Institutions must submit their payment request, using the Signature-less Document Submission function on the secure Web site, one week prior to the start of a term to insure receipt of student payments by the beginning of that term. See page 17 of the Resources chapter for directions.

The HECB will process the payment request upon receipt.

Payment

Each term, public institutions will receive an e-mail listing student names and individual award amounts before the funds are deposited into their bank account. Student payments are sent as a bulk payment in the form of an electronic funds transfer (EFT).

Disbursing Funds	Before depositing EOG funds into each student's account, institutions must verify that the student's financial aid package is complete and that they continue to meet all eligibility requirements.
Responsibility for Funds	Public institutions are responsible for EOG funds disbursed to ineligible students.
Lack of Junior Class Standing Disbursement	Students who have not earned an associate's degree or junior class standing can receive the grant for one term, if it appears that they will earn junior class standing by the end of that term. Students that do not earn junior class standing by the end of their first term will be ineligible for future awards.
Power of Attorney Disbursement	Students enrolled in an off-campus program, who are unable to return to the institution for disbursement, must assign Power of Attorney. The individual assigned Power of Attorney will receive EOG payments on their behalf. A copy of the Power of Attorney must be kept in the student's file.
Reporting Disbursement Status	<p>Institutions have 30 days to:</p> <ul style="list-style-type: none"> • disburse funds to eligible students; • return funds not disbursed because of ineligibility; and • report disbursement statuses, using the HECB portal Web site. See page 20 of the Resources chapter for directions. <p>Exception: The HECB's fiscal year ends June 30th and institutions only have two weeks to disburse funds, return funds not disbursed and report disbursement statuses.</p> <p>It is the student's responsibility to notify the institution or the HECB if they plan to take a leave of absence. Institutions may use the comment field, which is located on the disbursement status, to report a leave of absence. If notification is not received by the HECB, the student's award will be cancelled for the remainder of the academic year.</p>

**REPAYING AN
ADVANCE PAYMENT**

Student Responsibility

Students who withdraw from an institution during an academic term are required to repay EOG funds according to the institution's HECB-approved repayment policy. Students who owe a repayment are ineligible for state financial aid until their debt is paid in full.

**Institution
Responsibility**

Public Institutions must attempt to collect the debt from the student following the same procedure it uses for any state or federal financial aid program.

Uncollectible

Students who fail to make a payment for 120 days or more have an uncollectible account. Public institutions may transfer the account to the HECB with documentation of their collection efforts. The institution is not required to transfer the account if they continue active collection.

**REIMBURSEMENT
PAYMENT METHOD**

**Reimbursement
Request**

One to two weeks prior to the start of a term, the HECB will post a list of students with active EOG awards to its secure Web site. Please note that the award list is accurate as of the date of posting and does not automatically update.

Institutions must review and verify each student's eligibility prior to making student payments with institutional funds. Student payments may not exceed the listed award amount.

Institutions can request reimbursement for student payments no sooner than the first day of the term.

To request reimbursement, enter the amount of institutional funds each student received under the column "Paid by Institution" on the award list. If a student was not paid, indicate why under the column "Reason for non-payment". It is the student's responsibility to notify the institution (or the HECB) if they plan to take a leave of absence. Institutions may use the "Reason for non-payment" column of the award list to report a leave of absence. If notification is not received by the HECB, the student's award will be cancelled for the remainder of the academic year. Use the Signature-less Document Submission function on the secure Web site to submit the reimbursement request.

See page 17 of the Resources chapter for directions.

Each reimbursement request must contain the certification below. Copy and paste the certification into the “Form Notes” section of the Signature-less Document Submission.

“By submitting this reimbursement request for state financial aid, I certify that each student:

- *meets this program’s eligibility requirements, and*
- *has been paid the amount specified with institutional funds.”*

Institutions should determine any need to track institutional payments to students, the request for reimbursement and the receipt of reimbursement as separate business events.

The HECB will process the reimbursement request upon receipt.

Reimbursement

Prior to receiving reimbursement, institutions will receive an e-mail listing the amount of reimbursement per student. Institutions receive reimbursement payments as an EFT, usually within five business days of the request.

REPAYING A REIMBURSEMENT PAYMENT

Student Responsibility

Students paid by an institution, who withdraw during an academic term, are required to repay the institution, according to their HECB-approved repayment policy. Students are ineligible for state financial aid until their institutional debt is paid in full.

Institution Responsibility

The institution is required to repay the HECB within 30 days if:

- a student owes an institutional repayment; or
- the institution has paid an ineligible student.

**PRIVATE
INSTITUTION**

Payment Methods

To receive EOG funds, private institutions have the following two payment methods:

- **Advance Payments:** Prior to the start of a term, institutions request and receive student payments (see below, pages 5-7); **or**
- **Reimbursement Payments:** After paying eligible students with institutional funds, institutions request and receive reimbursement payments (see pages 7-9).

Private institutions approved to participate in the Reimbursement Payment Method must sign an addendum to the participation agreement. The addendum establishes the requirement to maintain individual HECB Student Directives for Disbursement of State Student Aid as well as other conditions. If an addendum is not received, the Advance Payment Method will be used. The payment method will remain in effect until a notice of change is received by the HECB **or** the HECB determines a need to require the other payment method.

**ADVANCE PAYMENT
METHOD**

Payment Request

Two weeks prior to the start of a term, the HECB will post a list of students with active EOG awards to its secure Web site. Institutions must review the list and verify student eligibility prior to requesting payment.

Institutions must submit their payment request, using the Signature-less Document Submission function on the secure Web site, one week prior to the start of a term to insure receipt of student payments by the beginning of that term. See page 17 of the Resources chapter for directions.

The HECB will process the payment request upon receipt.

Payment

Each term, private institutions will receive an e-mail listing student names, award amounts, and warrant numbers before receiving the warrants. Student payments are sent as individual warrants (checks), that are made payable to the student.

Disbursing Funds

Before disbursing EOG warrants to students, institutions must verify that the student's financial aid package is complete and that they continue to meet all eligibility requirements.

Private institutions must provide the opportunity for each student to cash their warrant at their bank or apply it to their student account.

Responsibility for Warrants

Private institutions are responsible for all EOG warrants, while they are at the institution. Institutions are also responsible for any EOG warrants that are lost, stolen, or disbursed to ineligible students.

Lack of Junior Class Standing Disbursement

Students who have not earned an associate's degree or junior class standing can receive the grant for one term, if it appears that they will earn junior class standing by the end of that term. Students that do not earn junior class standing by the end of their first term will be ineligible for future awards.

Power of Attorney Disbursement

Students enrolled in an off-campus program, who are unable to return to the institution for disbursement, must assign Power of Attorney. The individual assigned Power of Attorney will receive EOG payments on their behalf. A copy of the Power of Attorney must be kept in the student's file.

Reporting Disbursement Status

Institutions have 30 days to:

- disburse funds to eligible students;
- return funds not disbursed because of ineligibility; and
- report disbursement statuses, using the HECB portal Web site. See page 20 of the Resources chapter for directions.

Exception: The HECB's fiscal year ends June 30th and institutions only have two weeks to disburse funds, return funds not disbursed and report disbursement statuses.

It is the student's responsibility to notify the institution or the HECB if they plan to take a leave of absence. Institutions may use the comment field, which is located on the disbursement status, to report a leave of absence. If notification is not received by the HECB, the student's award will be cancelled for the remainder of the academic year.

**REPAYING AN
ADVANCE PAYMENT**

Student Responsibility

Students who withdraw from an institution during an academic term are required to repay EOG funds according to the institution's HECB-approved repayment policy. Students who owe a repayment are ineligible for state financial aid until their debt is paid in full.

**Institution
Responsibility**

Private institutions must notify the student and the HECB, in writing, of the amount to be repaid. Documentation of the debt must be kept in the student's file.

HECB Responsibility

The HECB will notify the student of their debt, repayment procedure, and consequences for non-payment. The HECB will attempt to collect the debt from the student.

The HECB will notify the institution, in writing, when the student has repaid the debt.

**REIMBURSEMENT
PAYMENT METHOD**

**HECB Student
Directive for
Disbursement of State
Student Aid**

To ensure student choice, private institutions must use the HECB Student Directive for Disbursement of State Student Aid form to record a student's decision on where to apply their financial aid payment. Institutional funds can be deposited directly into a student's account or disbursed in the form of a check.

Institutions should only explain the choices and not coerce or influence the student's decision on how to apply their financial aid payment.

The directive remains in effect for the duration of the student's continuous enrollment at the institution, excluding approved leaves of absence and summer term. A new directive is required if the student fails to be continuously enrolled.

Institutions must allow the student to change their mind at anytime, prior to disbursement, and follow the current directive at all times.

On an annual basis, institutions must remind students that their current directive is still in place and that they may change it.

Reimbursement Request

One to two weeks prior to the start of a term, the HECB will post a list of students with active EOG awards to its secure Web site. Please note that the award list is accurate as of the date of posting and does not automatically update.

Institutions must review and verify each student's eligibility prior to making student payments with institutional funds. Student payments may not exceed the listed award amount.

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Use the Signature-less Document Submission function on the secure Web site to submit the reimbursement request. See page 17 of the Resources chapter for directions.

Each reimbursement request must contain the certification below. Copy and paste the certification into the "Form Notes" section of the Signature-less Document Submission.

"By submitting this reimbursement request for state financial aid, I certify that each student:

- *meets this program's eligibility requirements;*
- *has a student directive on file;*
- *has been paid the amount specified with institutional funds."*

Institutions should determine any need to track institutional payments to students, the request for reimbursement and the receipt of reimbursement as separate business events.

The HECB will process the reimbursement request upon receipt.

Reimbursement

Prior to receiving reimbursement, institutions will receive an e-mail listing the amount of reimbursement per student. Institutions receive reimbursement payments as an EFT, usually within five business days of the request.

**REPAYING A
REIMBURSEMENT
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